

# U.S. DEPARTMENT OF VETERANS AFFAIRS STATUS REPORT ON POST-9/11 GI BILL

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## HEARING BEFORE THE SUBCOMMITTEE ON ECONOMIC OPPORTUNITY OF THE COMMITTEE ON VETERANS' AFFAIRS U.S. HOUSE OF REPRESENTATIVES ONE HUNDRED ELEVENTH CONGRESS

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**U.S. DEPARTMENT OF VETERANS AFFAIRS  
STATUS**

**REPORT ON POST-9/11 GI BILL**

**THURSDAY, OCTOBER 15, 2009**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON VETERANS' AFFAIRS,  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 2:02 p.m., in Room 334, Cannon House Office Building, Hon. Stephanie Herseth Sandlin [Chairwoman of the Subcommittee] presiding.

Present: Representatives Herseth Sandlin, Perriello, Adler, Kirkpatrick, Teague, Boozman, Moran, and Bilirakis.

Also Present: Representatives Mitchell and Snyder.

**OPENING STATEMENT OF CHAIRWOMAN HERSETH SANDLIN**

Ms. HERSETH SANDLIN. Good afternoon, ladies and gentlemen. The Committee on Veterans' Affairs, Subcommittee on Economic Opportunity Oversight Hearing on the U.S. Department of Veterans Affairs' (VA's) Status Report on the Post-9/11 GI Bill will come to order.

I would like to state that the Iraq and Afghanistan Veterans of America (IAVA) and Congressman Ron Klein of Florida have asked to submit written statements for the hearing record. I ask for unanimous consent that their statements be entered for the record.

Hearing no objection, so ordered.

[The prepared statements of IAVA and Congressman Klein appear on p. 24 and p. 28.]

Ms. HERSETH SANDLIN. I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and that written statements be made part of the record.

Hearing no objection, so ordered.

Joining us today at the dais is Representative Harry Mitchell of Arizona, who chairs the Committee on Veterans' Affairs Subcommittee on Oversight and Investigations, and also joining us may be Congressman Vic Snyder of Arkansas who chairs the Armed Services Committee, Subcommittee on Oversight and Investigations. Both distinguished gentlemen are Members of the full Committee. I ask for unanimous consent that they be allowed to participate in today's Subcommittee hearing.

Mr. Mitchell is here, and hearing no objection, so ordered.

Mr. Snyder will join us at the dais when he arrives, and I know that the Chairman of the full Committee may be joining us at some point, as well.

Today, we seek to administer our oversight jurisdiction on the VA's implementation efforts of the Post-9/11 GI Bill. I expect this hearing will provide the VA the opportunity to update us on recent actions taken to address delays in the distribution of education benefits, and its plan moving forward to ensure the same mistakes do not occur in the future.

To date, our main focus has been to ensure VA has the resources to upgrade its information technology (IT) to support the unique demands of the Post-9/11 GI Bill. Furthermore, we have actively requested that VA appropriately alert us of any shortfalls in resources to successfully complete its mission, to include legislative changes that must be made by this Subcommittee.

Today we are seeking assurances that the VA has sufficient resources to meet all its goals and demands placed upon it by Public Law 110-252. Unfortunately, the past few weeks have shed some light on the shortcomings facing the VA and how it must improve the way it processes education claims.

Yesterday we had the pleasure of welcoming Secretary Eric Shinseki to the full Committee so that he could highlight VA's accomplishments and some of the unmet goals. I appreciate the Secretary's sincere commitment to provide our Nation's veterans with the best resources in a timely manner.

I share this strong commitment and applaud actions taken by the VA to address the current backlogs in the distribution of education benefits. While this is commendable, more forethought should have been given to the emergency check solution to address any potential problems.

I know that the Ranking Member is in another hearing and hopes to join us soon. When he does, we will recognize him for his opening remarks. But at this point, we will just make them a part of the hearing record and I would ask for any other Member of the Subcommittee or our guests joining us on the dais, to submit any opening remarks they may have for the record. That way we can hear directly from Mr. Wilson and get straight to all of the questions that I know we will have for Mr. Wilson today.

[The prepared statement of Congressman Boozman appears on p. 21.]

Ms. HERSETH SANDLIN. Thank you, Keith, for appearing before the Subcommittee once again. Mr. Keith Wilson is the Director of the Office of the Education Service, Veterans Benefits Administration (VBA) of the U.S. Department of Veterans Affairs.

You have taken time to brief me prior to this hearing and staff as well, and we look forward to hearing from you. You are now recognized, Mr. Wilson.

**STATEMENT OF KEITH M. WILSON, DIRECTOR, OFFICE OF  
EDUCATION SERVICE, VETERANS BENEFITS ADMINISTRATION,  
U.S. DEPARTMENT OF VETERANS AFFAIRS**

Mr. WILSON. Thank you. Good afternoon, Chairwoman Herseth-Sandlin, Ranking Member Boozman, and other Members of the Committee. I appreciate the opportunity to appear before you today to discuss the status of the Post-9/11 GI Bill implementation. My testimony will address the challenges we face, the current status

of education claims, workload trends, and countermeasures we are taking to alleviate delays in processing.

Enactment of the Post-9/11 Educational Assistance Act on June 30, 2008, gave VA approximately 14 months to develop a new, highly complex system to ensure eligibility and payments are made for hundreds of thousands of claimants who would be eligible to receive benefits under the new program beginning August 1st of 2009.

To meet this challenge VA began accepting applications to determine eligibility to the benefit on May 1st of 2009. On July 6, 2009, we started accepting enrollment certifications from schools and began processing claims for payment. The first payments were disbursed by the U.S. Treasury on August 3, 2009.

Since May 1st of 2009, approximately 275,000 individuals have applied for eligibility under the Post-9/11 GI Bill; 213,000 individuals have been deemed eligible and provided a certificate of eligibility. Of the estimated 82,500 enrolled students, approximately 52,500 have received payments under the Post-9/11 GI Bill.

During the same time, VA has paid benefits to over 160,000 additional veterans under other VA education programs. Additionally, VA has paid 52,000 veterans under its newly implemented Advanced Payment Process.

Veterans have experienced both good service and poor. We believe our efforts to implement this program and our responses to the challenges we have experienced will ensure that the Post-9/11 GI Bill will live up to its full promise.

Post-9/11 GI Bill claims currently require manual processing using four separate IT systems that do not interface with each other. When an application or enrollment certification is received, the documents are captured into The Image Management System, TIMS. The documents are routed electronically to a claims examiner for processing. The claims examiner reviews the documents and determines the student's eligibility, entitlement, and benefit rate by manually entering information into the Front End Tool, the FET.

The FET is used to calculate the additional information needed to determine payments for students. However, the FET has limited capability for processing multiple scenarios encountered in determining eligibility and entitlement under the new program. As a result, VBA, in conjunction with MITRE Corporation, developed multiple job aids, or out-of-system tools and spreadsheets, to augment claims processing.

Once the benefit rate and payment amounts are determined, the claims examiner manually enters the payment information into the Back End Tool (BET) separately for each payment type required. The BET utilizes the existing Benefits Delivery Network to issue payments. A payment cannot be processed until at least two individuals approve the award and payment amount.

Evidence to support the award action taken by the claims examiner and a senior claims examiner is captured for record purposes in TIMS. This payment authorization process is completely separated for the housing allowance, the tuition and fees payment, and the books and supplies payments.

When all action is complete, the claims examiner manually transcribes most information into an award letter that is sent to the student, providing them important information about their benefit.

Due to lack of integration among the systems, the time to process Post-9/11 GI Bill claims is significantly longer than processing time for other education benefits. Currently, it takes approximately 1½ hours to process one original claim under the Post-9/11 GI Bill.

Phase three of the interim solution will provide increased functionality for processing Post-9/11 GI Bill claims. It was originally scheduled for deployment in September 2009. Due to the complexity involved in processing both amended awards and overlapping terms, phase three is now scheduled for deployment in early November of 2009.

Claims processing under our education programs increased by 180,000 claims over the same period last year due to, in significant part, to the large number of requests for Certificates of Eligibility under the Post-9/11 GI Bill. The net increase in students is approximately 70,000.

VA anticipated the majority of students would transfer from the Montgomery GI Bill (MGIB) and Reserve Educational Assistance Program (REAP) to the Post-9/11 GI Bill during the beginning of the Fall 2009 enrollment period. However, that has not happened.

Instead, we have seen a slight decrease in the number of students receiving benefits under the Montgomery GI Bill and REAP, compared to the same period last year.

We also expected the majority of veterans applying for the Certificate of Eligibility for the Post-9/11 GI Bill over the summer would start school during the fall enrollment period. Instead, many may have applied for the new program to receive an eligibility determination, but will enroll in school at some point in the future.

In order to meet the challenge, VA, since May, has hired an additional 230 staff, implemented a mandatory overtime policy, redirected over 70 staff from non-claims processing work directly into claims processing work, as well as other initiatives as outlined in my written testimony.

Regardless, we are not serving veterans timely in all cases. In response, the Secretary authorized issuance of advance payment to students enrolled in school who have not received their benefits.

On October 2nd, 2009, VA began issuing advance payments to students in the amount of up to \$3,000 per individual. In the first week, VA made advance payments to over 41,000 students, totaling approximately \$120 million.

VA looks forward to engaging in a dialog with Congress and our stakeholders to improve administration of the Post-9/11 GI Bill. Thank you, this Committee, as well as all of Congress, for the continued support you have provided throughout this effort.

Madam Chairwoman, this concludes my statement. I would be pleased to answer any questions that you or other Members of the Subcommittee may have.

[The prepared statement of Mr. Wilson appears on p. 21.]

Ms. HERSETH SANDLIN. Thank you, Mr. Wilson.

In news reports there have been a lot of statements and quotes with regard to hundreds of thousands of veterans waiting for benefits. You went through the numbers in the beginning of your testi-



mony in terms of those who sought Certificates of Eligibility starting at the May 1st timeline and then those that ultimately enrolled where the VA was getting back once the Certificate of Eligibility was sent. What is the difference in the numbers of those that have actually enrolled?

Can you address this concern that hundreds of thousands of veterans may be awaiting benefits?

Mr. WILSON. This is one thing that we have been challenged with from a communication perspective for a while now. We, I think, incorrectly continued to communicate the way we traditionally have concerning claims processed, what type of claims they are and we did not do a good job of focusing on the student, the number of individuals that we are paying benefits to.

And unfortunately, we did not do a good job of educating people on what the differences are. A claim does not equal a student. On average, one claim or one student will generate about two and a half to three claims a year based on their training time, how many periods they enroll, whether they change training, et cetera.

Additionally, the number of Certificates of Eligibility that we have provided represent individuals that are interested in knowing that they are eligible, and at that point have just simply indicated that they plan to use the benefit at some point in the future.

The number of individuals that we have actually paid, which as you have rightly pointed out, is significantly different from that number, are the people that are actually enrolled in school right now.

The delta between the two, the difference between the two, is in excess of 100,000. That's not necessarily indicative of a problem, but it is different than the behavior that we have seen in our student population previously.

Normally, individuals will come in and apply for the benefit at the point that they are ready to begin using it. And based on the student enrollment versus the number of people that have applied for eligibility, that doesn't seem to be occurring currently.

Ms. HERSETH SANDLIN. Has the VA heard of any veteran having problems, understanding the explanation you just provided, in terms of getting benefits? There was a Certificate of Eligibility that was applied for that didn't necessarily translate for every veteran or individual who is deemed eligible for the benefits, such as dependents to whom they can transfer those benefits.

Have you heard any complaints that veterans have actually been denied permission to attend courses for which they have enrolled because benefits haven't been paid?

Mr. WILSON. We have not. In fact, we began an effort early on to contact schools directly, and that is one of the questions that we specifically asked in addition to the outreach that we had been doing with the schools from the beginning on this.

We are aware of no schools where students are being disenrolled due to that process.

Ms. HERSETH SANDLIN. Let us talk about that outreach to the schools. I appreciate that you reached out to the schools as it related to this particular anticipated issue in terms of the delay in which some States were determining tuition rates. Then there is the issue of getting to the VA and VA being able to get the tuition

out and the differences in terms of getting that information to schools, whether it is right away in enrollment, add/drop, after add/drop period, et cetera.

The issue of outreach prior to the fall semester starting, we have repeatedly heard from veterans believing that their housing allowance would be issued to them at the beginning of the month, or that this would be paid “up front.” What is creating this disconnect?

Mr. WILSON. We have heard that as well. First, let me clarify in terms of how it is paid. The monthly housing benefit is paid in the same manner as VA education benefits are paid under the other existing programs in that it is paid in arrears, at the end of the month, following the month of attendance.

And this is quite honestly speculation, the tuition payment is paid to the school at the beginning of the semester, a housing allowance. I’m sorry, the book and supply stipend is paid to the student at the beginning of the semester.

I think it would be logical for some individuals to make a connection between the manner in which those payments are made and the manner in which they would presume that the housing allowance would be paid.

Ms. HERSETH SANDLIN. Before recognizing other Members, and we will have another round of questions for everybody, yesterday at our full Committee hearing when Secretary Shinseki was testifying, we heard from several Members that were proposing legislative fixes to make your job easier in the future. You described it in your written and oral testimony today that you are laying the groundwork for the long-term IT solution. You are also dealing with legacy systems and we had the recession affecting States and their decisions, and so, some factors and variables which, in a perfect world, we would have anticipated and had you prepared for absolutely every possible scenario.

But we do know that many Members are interested in streamlining the administration of all of the education benefits. I don’t know if you are prepared to say which legislative fixes you would endorse today or if you are starting to give those thought, but any suggestions?

Mr. WILSON. We are giving that a lot of thought. Clearly, there are issues that have been discussed that conceptually are very appealing, paying housing allowances in advance has been talked about as a possibility, delinking the tuition payment to the schools with the need to get the housing allowance payment out as quickly as possible to students, et cetera.

And I would agree that those are appealing from a conceptual perspective. The challenge, I believe, will be making sure that any legislative fixes are immediately implementable, taking into account the issues that you rightly brought up concerning the legacy systems that we have in place, the limitations in our short-term initiative that we are currently, essentially locked into to process claims.

One thing we absolutely don’t want to do is make the situation worse.

[The VA subsequently provided additional information in the answer to Question #10 of the Post-Hearing Questions and Responses for the Record, which appears on p. 32.]

Ms. HERSETH SANDLIN. Mr. Teague?

Mr. TEAGUE. Yes. Thank you, Madam Chairwoman, for having this hearing and for letting me ask a few questions. I did have some concerns. Are there things in place or in the works to where we tie these systems together? We are not going to continually have four IT systems that don't communicate with each other, are we?

Mr. WILSON. No, we are not. We have pursued two past concurrently as we have implemented this program, knowing we didn't have the time to implement a fully automated system. We stood up an effort to put in place the minimal that we needed to get checks out the door.

Concurrently with that, though, we have had a process going from the beginning to develop a fully automated rules-based system that will have full deployment currently scheduled for December of 2010.

Now, the first scheduled deployment of that long-term solution is scheduled for March/April timeframe of 2010. That will essentially replace what is currently being called the Front-End Tool and the job aids. So there's not a huge amount of additional functionality, but it will make the claims examiners' lives a lot easier by consolidating everything into a more friendly user interface Web-based tool. But ultimately, we do have that initiative to go to an automated mechanism to process this work.

Mr. TEAGUE. We have had a problem with some contradictory information coming out. When the checks didn't go out the first of the month, well, then you issued a press release that they would be cut on Friday the 2nd. And then, there was also some announcements sent out that if—you know, in places like New Mexico where it is 325 miles to the only hospital and the only facility in the State, that the VA would be going to some of the larger universities and handing the checks out. That didn't happen.

At the same time, there was a Web site up where veterans could go to, but we didn't get that information to people, so I was just wondering if we are streamlining our communications within our office there so that we don't continually jerk the veterans around and have some of them misinformed.

Mr. WILSON. I understand your concerns, Congressman, and we have, I believe, we have a better process in place to make sure that we are communicating more effectively on that.

The issues that we were dealing with was trying to get, make sure we had something out the gate and informed our student population prior to October 1, around the October 1 timeframe. The October 1 was important because most folks were at that point where they would do their first full housing allowance payments. We thought it was important to get something up as soon as possible.

We were dealing, and continued to deal, at the time of that press release, with some technical issues concerning how we get to the other locations beyond our 57 regional offices. We very early on wanted to spread this out as much as possible. We felt that the

most effective manner of doing that was leveraging technology, taking into account that we have students at thousands of locations across the country. We felt the most effective way of getting those folks touched, that weren't within driving distance of a regional office, was to allow technology, so that was the driver for our decision on the follow-up.

Mr. TEAGUE. Yes, and I agree with that, and I think that the Web page is working well. It is just that during that week prior to that when I was at New Mexico State University, they were expecting someone to be there with the checks and then on Friday when no one was there, that is when we found out about the Web page.

Mr. WILSON. I understand.

Mr. TEAGUE. Another thing, I guess it is a misunderstanding on their part and I was wondering where the information came from that so many of the veterans thought that they were going to be paid in advance, both for tuition and housing.

Mr. WILSON. The advance payment issue has been troubling. We have had in our outreach material, going back to the winter period or early spring, winter period, information providing the student experience, in other words, what would the student experience, and we have worked very hard to make sure individuals understand when they would be paid.

The examples that we use were for the individual who would be having their first day of class toward the end of August. Come September 1st, they were only eligible for a partial housing allowance for those couple of days of attendance in August, followed by the first full housing allowance payment on October 1st.

For whatever reason, and again I would be speculating, that didn't seem to be fully understood. Largely, it did because most of our current participants are transferees from the Montgomery GI Bill and this benefit is paid in the same manner. But we didn't get that word out to everybody and there were pockets of communication and we need to continue to work hard on that issue.

Mr. TEAGUE. You know, and you brought up another thing there with the transferring from the Montgomery GI Bill to the Post-9/11 GI Bill, and sometimes before they understand the full benefits of both programs, people have committed to the Post-9/11 GI Bill and then found out that it really didn't have as many benefits for them, individually, as the Montgomery GI Bill, but they can't switch back. Is there anything that we can do there, whether they can reconsider it, if through oversight on their part or misinformation, they want to go back to the Montgomery Bill?

Mr. WILSON. The structure of the Post-9/11 GI Bill calls for an irrevocable decision, so currently that is a statutory requirement. There is no mechanism within the statute that would allow a person to unrevoked the irrevocable election.

Our mechanism by which we have been educating people on that is making sure that they can understand the questions that need to be answered. The answers to the questions themselves are going to be unique to each individual person. So you are absolutely right for raising this concern. Individuals do have to be well armed. They have to know what questions to ask and our efforts have been de-

signed toward ensuring they can answer those questions, both monetarily and non-monetarily.

There are non-monetary issues that are very important here too, such as the difference in the delimiting date between the two benefits. So that has been our direction, but I understand your concern. It is a statutory irrevocable decision.

Mr. TEAGUE. And then the burden is on us to be sure that our people and our staff understands well so that they explain well so that we don't mislead people and cause them to make the wrong decision.

But, once again, thank you for answering the questions. Thank you for being here and, Madam Chairwoman, thank you.

Ms. HERSETH SANDLIN. Thank you very much, Mr. Teague.

Dr. Snyder.

Mr. SNYDER. Mr. Mitchell is here. I apologize.

Ms. HERSETH SANDLIN. I had heard you were here, you know, an hour early, so.

Mr. SNYDER. I don't think that counts.

Ms. HERSETH SANDLIN. Okay. Mr. Mitchell, you are recognized. Thank you, Mr. Mitchell.

Mr. MITCHELL. Thank you for allowing me to be here today and thank you both for the strong leadership on this issue.

Mr. Wilson, before I get into my question, I would like to go on record with a message to the VA. I have held two oversight hearings on improper bonuses within the VA. Additionally, Congress and the American people did not look kindly on banks that received bailout funds that gave major bonuses to their executives.

Regardless, if you work on Wall Street or Main Street or for the Department of Veterans Affairs, bonuses should follow performance. My understanding is that the Fiscal Year 2009 bonuses have not been awarded by the VA yet, and I think that the VA must think long and hard about giving out plush bonuses for Fiscal Year 2009, while so many veterans are still waiting for the benefits they've earned and scrambling to make sure they have the money to pay for schools, books and housing.

Mr. Wilson, this is not your first appearance before this Subcommittee. You have appeared before it several times since the GI Bill was signed into law. To keep the Committee Members apprised of the VA's efforts to implement the GI Bill and you offered assurances that the VA would be ready by August 1st. You even brought in a detailed timeline to show us how the VA would be ready by August 1st.

In February, Mr. Adler of this Committee asked if the VA needed more tools to accomplish the goal of program implementation. You responded by stating, "This legislation itself came with funding." This funding is, at this point, has adequately provided us with what we need for implementing payments on August 1st, 2009.

If this legislation provided to you is what you needed then, why did you go to the VA—or, then, where did you or the VA go wrong in meeting the implementation goal?

So I would like to ask two questions. How are we supposed to believe that the assurances you are offering today and, two, knowing how interested Congress is in implementing the GI Bill, once you knew you were running into problems, why didn't you let us

know? Why do we have to first hear about it from veterans and read about it in the *Army Times*?

Mr. WILSON. You rightly call us out in terms of not providing timely service to all veterans. We acknowledge that and we are working as hard as humanly possible to make sure that we are meeting those goals.

The timeline that we provided to the Subcommittee, I believe, was largely met, in terms of our ability to generate payments on the date that they were required to deliver the first checks. First payments did go out August 3rd.

There were a couple of significant challenges that we have not anticipated. One was the volume of work created by the increase in applications for eligibility determinations that did not translate into student population, dropping off other programs, so we had significantly more work in our existing programs than we would have expected to have to maintain going into the fall enrollment.

One of the other primary challenges that we have responded to is when we began our ability to use the tools that were developed to implement the program in a short term. May 1st is when we began using those tools and it was very clear to us from the get-go that even accounting for our understanding that they weren't perfect, we under-estimated the complexity and the labor-intensive nature of what needed to be done.

We responded by hiring 230 additional people to account for that.

Mr. MITCHELL. I read all that in your testimony. My point is, once you knew you were running into problems, why didn't you come back to us? We heard it first by veterans and through the *Army Times* that you were having problems.

Mr. WILSON. It has been our desire from the get-go to make sure that the Subcommittee has been informed all along. If we did not meet those expectations, then we need to be held accountable for that.

We provided information that we had at each of the hearings, and we have had a longstanding mechanism by which we have provided updates to staff on a regular basis. We did notify the Subcommittee at the time of the hiring of the 230 additional people.

Mr. MITCHELL. Thank you.

Thank you, Madam Chair.

Ms. HERSETH SANDLIN. Dr. Snyder. And if you prefer to come back or I can recognize you now. There are still 8½ minutes left in this series of votes.

Mr. SNYDER. Whatever you want to do. I'm glad to go—

Ms. HERSETH SANDLIN. Are you able to come back?

Mr. SNYDER. Yeah, I can come back.

Ms. HERSETH SANDLIN. It is up to you, then.

Mr. SNYDER. We can come back.

Ms. HERSETH SANDLIN. Okay. All right.

We have just two votes, so we will head down so we have plenty of time to make this first vote and then when we return, we will resume the question with Dr. Snyder.

[Recess.]

Ms. HERSETH SANDLIN. We will resume the hearing. Dr. Snyder, you are recognized for your questions.

Mr. SNYDER. Thank you, Madam Chair.

Mr. Wilson, I appreciate your being here and all your work. I would think this must be a pretty exciting time for you all. I mean, it is really—it has been a lot of people given some opportunities they haven't had before and may not think they have had before and I think your work is going to pay off for the county.

I wanted to ask just about the IT aspect of things because I am not a Member of the Subcommittee. I know Stephanie and a good group of Members have done a lot of work on this. I don't really understand where the delay was.

In your statement, you quote from your press release that states that, "The VA did not receive enough proposals from qualified private-sector contractors to create an IT program that implements a good benefit." That was your 2008 statement.

You know, my question is, "Why not?" I mean, it is not like there is so much work out there right now that nobody in America knows how to do information technology. Why didn't you receive proposals? I mean, this would have been a very lucrative contract for somebody.

Mr. WILSON. Part of my response would be speculation on my part because I can't speak on behalf of the vendors. Having said that, what I do know is that there appeared to be concern with the time table and concern with the technical aspects, such as integration with the myriad of systems that would have to occur, setting up a rules engine, et cetera, just the technical aspects of doing that much work in such a compressed timeframe. There were just, I believe, high risks there. We had several vendors that dropped out of the competition during that.

Ultimately, we never got to the point where we were 110 percent comfortable that checks would go out on August 1st, taking that into account, but we still felt we needed an automated system to do this right. So taking that into account, we developed the two track—do the minimum, do what we have to do to get checks out the door on August 1st, but it is not going to be pretty. Acknowledging that it is not going to be pretty, keep that long-term strategy in place, get that automated system in place as quickly as possible.

Mr. SNYDER. It seems like, when you get to the point of where you want to be, that the issue that Mr. Teague brought up about if people make the wrong decision by choosing the wrong program, that your software program should help them sort that out, should it not?

Mr. WILSON. I think that is a fair characterization from a technology standpoint. That could potentially be sought out, worked through. Obviously, legal issues, as I mentioned, would still be there. One thing that would be a potential concern—

Mr. SNYDER. I wasn't talking about the issue of the revocation. I was thinking about when someone—I mean, it seems like ideally you go on, you edit information, it basically makes the decision almost immediately about, you know, your eligibility or not.

But then it also seems like that there should be a software program that says, you know, because of your age or whatever, your smartest decision may be to stay with MGIB because we certainly—as those of us who, and probably nobody has been more of a champion of this than Ms. Herseth Sandlin with this GI Bill, and

we all have really talked about it a lot, about this great improvement, so I am not surprised that most people out there think that this would be the better program. But apparently for some people it is not.

And it seems like at some point there could be the possibility of a red flag going off for the veteran that says, you may want to talk to your veteran's counselor or consider these other possibilities. Do you foresee that being down the line somewhere, or is that going to be just distinctly a Post-9/11 GI Bill application?

Mr. WILSON. No, I think that is a possibility. One thing I would emphasize, though. The approach that we have consciously made on this is emphasizing that this is both a monetary and a non-monetary decision, and there are non-monetary factors, both now and in the future that change, and if I could provide an example.

An individual may make the decision now that they are better off under the Post-9/11 GI Bill monetarily, and that's a sound decision from their perspective. However, if they only have 2 years—well, let me back up. They could make the decision that they are better off under the Montgomery GI Bill and monetarily that would pay them better benefits. They still may be better off under the Post-9/11 GI Bill because of the difference in the delimiting date.

If an individual elects to stay under the Montgomery GI Bill right now, for example, if they have 2 years left to use that benefit, it may be a wiser decision for them to opt into the Post-9/11 GI Bill, even if they would receive those benefits because they have 5 additional years to use the benefit.

Even that decision is dynamic. A person could be very comfortable in their job right now and make the decision in the case that I just talked about, that they are going to stay under the Montgomery GI Bill and they are good. But if they are in a segment of the economy where a year from now, 2 years from now, their job stability is threatened and they become more concerned, then that is a factor that is changed concerning the benefit that is best for them.

So that is why we have tried to focus on the monetary aspects. That is fine. But take into account the non-monetary aspects as well.

Mr. SNYDER. Thank you.

Thank you, Madam Chair.

Ms. HERSETH SANDLIN. Thank you, Dr. Snyder.

Mr. Boozman, you are recognized for your opening remarks, as well as questions. We did enter your opening remarks for the record.

Mr. BOOZMAN. Yes, ma'am. That is fine.

Ms. HERSETH SANDLIN. Okay.

Mr. BOOZMAN. Thank you very much. Thank you, Madam Chair.

Mr. Wilson, as staff and as we have been out and about, it seems like that there is not a lot of knowledge about Title IV benefits such as the Pell Grants and things like that. Is there any attempt to encourage vets—I know we have got a lot going on, but is there any attempt to encourage vets to apply for Title IV benefits such as the Pell Grants?



Mr. WILSON. Currently, we don't have significant efforts in that area, and I believe that is a point well taken. I believe we can do better in that area.

We do know right now there is information showing that about half of our student veteran population are in receipt of Pell Grants, a subset of the Title IV benefits you talk about.

So we can, I believe, do a better job of making sure folks understand the Federal benefits that are potentially available for them, as well.

Taking it a step farther, the local programs, the State programs, the private programs, the campus-based aid, et cetera, there is a universe of benefits out there, and we have had preliminary discussions on how we do a better job of doing that.

Mr. BOOZMAN. And I guess maybe working with the Transition Assistance Program might be an area that might be beneficial.

Mr. WILSON. Yes. We have had discussions with the State Approving Agencies (SAAs) on this very topic, and we have had some preliminary back and forth concerning how we plug into the State mechanism, how do we make sure that we are doing what we can to link up veterans with that State information. I think the State Approving Agencies are the ideal mechanism to do just that.

Mr. BOOZMAN. The current term in place that you have, when is their appointment scheduled to end, and I guess, also, are you planning on employing any of these employees beyond their current terms?

And then, also, as we go through the next enrollment period, do we need to hire additional staff beyond what we have done on this last go round?

Mr. WILSON. The 530 additional people that we brought in out the gate under the Post-9/11 GI Bill are built into our assumptions for our resources that we will have available in 2010. So we have those folks. Our understanding is we will have them in 2010, if that need is there.

In terms of bringing on additional staff, you are aware that we hired 230 additional people beginning in May. Those individuals were hired under the ARRA (American Recovery and Reinvestment Act) funding and we have them until the end of the year currently.

Mr. BOOZMAN. Okay.

Mr. WILSON. We are, also—I just want to make one more point if I may. The efforts that I have talked about, the 230 additional hires, the 70 people that we have moved from non-claims processing work into claims processing work, that is part of a dynamic effort. We are looking at those efforts every day. We are going to continue to do that as we identify additional resources that we can bring to bear on this effort. We will be doing that.

Mr. BOOZMAN. I guess getting an idea of how long these things take, when you requested, I guess when did you request the 230 additional term employees to process the GI Bill? How long did it take for OMB to approve the use of the funds?

Mr. WILSON. The funds were approved for claims processing work under the ARRA authority. It did not define claims processing work and clearly this is claims processing work, so we were able to move out fairly quickly on that.

Mr. BOOZMAN. Okay. Very good. And I guess the status of the long-term IT fix for processing, do we have any idea when that will be available?

Mr. WILSON. The first deployment of the long term will be in the March/April timeframe of 2010. What that will do is consolidate the current functionality that is in both the job aids and the front end tool into a Web-based, user-interface that will make the claims examiner's job a little bit easier.

Following that, there are three, I believe, three additional deployments that will add functionality, two more before or at the fall enrollment period for next year, and then the final deployment for full automated functionality in December of 2010.

Mr. BOOZMAN. Okay. Before she starts blinking my light, I know you all have worked really hard on this and it has been a very difficult situation, and I think that the law is a tremendous benefit for our veterans, and certainly I know my commitment, and I know the Committee's commitment here is to help any way we can. I think the key to that is you just letting us know what we need to do. I know that we're going to try and go forward, my understanding is that with the technical corrections of the bill to make things easier a bit.

But I do appreciate your hard work and I appreciate your staff's hard work. I think that they are doing the very best that they can, and again, hopefully we will get all this figured out and get things flowing in the right direction, and then being in better shape as we go forward with the next semester.

Thank you, Madam Chair.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Just to follow-up on some of the questions the Ranking Member was posing. Mr. Wilson, how much longer does the VA plan to require mandatory overtime for claims processing staff, which I understand has been 3 days per pay period, which is every 2 weeks? Also how long will you continue to use headquarters staff and redirect staff to help process the education claims?

Mr. WILSON. We are not prepared to make a decision on how much longer we will keep that in place until we have the current backlog resolved.

Our goal is to go into the spring enrollment with no backlog. If we need to, we will keep those measures in place, in addition to any other measures that we identify through the spring enrollment. We are doing everything in our power to make sure that we are adequately prepared for the spring enrollment.

Ms. HERSETH SANDLIN. And for this current semester, before, as you work to get rid of the backlog before the spring enrollment, on average, how many amended awards for tuition are you anticipating for this semester?

Mr. WILSON. That potentially is a challenge. The short answer is we don't know and it is related to the manner in which schools will be required to report to VA under the Post-9/11 GI Bill. As you are aware, Madam Chair, the Post-9/11 GI Bill allows us to pay actual tuition and fee charges. So if there are any changes in that number, even if a student were to substitute one class for another class that might have a lab fee, for example, the school is required to

provide that amended enrollment information to us and we will have to process that work.

We are making sure that we are going to do everything we can to segment that work out as much as possible so that we can manage that without interrupting and impacting the housing allowance payments that go out to students.

But potentially, it could be a significant amount of work. Historically, what I can tell you is about 25 percent of our students end up having some type of amended award, so we would expect that to at least be the base number.

Ms. HERSETH SANDLIN. When I was asking earlier about whether there are any recommendations you can make to make it easier for the VA to process amended tuition awards or other legislative fixes to streamline the administration of these benefits and the technical corrections that the Ranking Member alluded to, this will all be part of the long-term solution right? I mean it would be very difficult, just as it was difficult in anticipation of the May 1st and August 1st deadlines, to make changes that would impede meeting those deadlines.

I know that in response to my question, you had indicated we could possibly look at paying housing allowances in advance. But again, being aware of how that then will affect administration of the short-term solution through next semester, but did you say that the long-term IT solution won't be fully up to capacity until December of next year? Are we looking at two additional semesters of using the legacy system?

Mr. WILSON. It is a phased deployed for the long term. The full deployment does occur in December of 2010. That gives us the automated functionality that is the goal for development or implementation of the long-term solutions, so that is correct.

Ms. HERSETH SANDLIN. Okay. Just a couple more questions, but back to the amended awards issue. If you start anticipating problems, or experiencing problems in terms of just historically 25 percent are looking at amended awards, as I know that you do in your communications meeting regularly with our Subcommittee staff. We need to be made aware of the problems immediately if there are any complications that arise with the housing stipends and anticipating the need as you should do in terms of advance payments, but that is my next question.

Are there concerns that the emergency checks that were recently given to veterans are going to cause an overpayment and are veterans made aware of this and is this another potential problem that lies out there?

Mr. WILSON. Veterans are made aware. When they receive advance payment, they are notified that this is an advance on payments that will be due when their award is processed and that there will be a recoupment of the benefits, so they are notified.

Whether or not they will be an overpayment will depend on several things, for example, the amount of advance pay that an individual chose to receive. It could be up to \$3,000, but they could take an amount less than that. Also, it would depend on their housing allowance rate for the zip code that they live in so there are several factors that are at play concerning any overpayment.

Ms. HERSETH SANDLIN. Mr. Mitchell, did you have any additional questions for Mr. Wilson?

Mr. MITCHELL. Just one, if you don't mind.

Ms. HERSETH SANDLIN. Okay.

Mr. MITCHELL. Mr. Wilson, I believe that no veteran—and I am talking as a former schoolteacher and who values education very, very much. I don't believe any veteran should fall behind, even a semester, because of the VA's inability to meet the goals that we have set out for and I would like to know what the VA is doing to ensure that future payments will not be delayed, as well as what assurances can you offer that measures will work?

Mr. WILSON. Everything that we are putting in place right now is designed to ensure that we go into the spring semester fully loaded with what we need to have on board. We will take every step that we need to to make sure veterans have access to payment. If that means that we have to keep an advance payment mechanism of some sort in process, we will do that. But our goal is to make sure that those mechanisms are not needed, that we have this issue resolved prior to the spring semester and we move forward.

The Secretary has been very clear that any delay in payment is unacceptable. Everybody in VA agrees wholeheartedly with that. On a personal level, I can say firsthand I know exactly what these students are going through. I went through college under the GI Bill. I know what it is like to stand in a line for food stamps after defending this Nation for 8 years. I take this very personal and we are going to fix it.

Ms. HERSETH SANDLIN. Mr. Boozman, any follow-up questions?

Mr. BOOZMAN. Very quickly, Madam Chair. Right now, we have a number of minutes that it takes to process a claim. Is there a performance goal for the long-term solution in what we want to get that down to?

Mr. WILSON. Ultimately what we would like to see in the long-term solution is essentially immediate turnaround. That is why we are going to a rules-based mechanism by which we can do this.

Our experience with rules-based processing within VA is limited. We expect this to be a learning curve for us. We would expect some segment of work out the gate, a large segment of work out the gate to be processed through an automated system. We don't want veterans to wait at all for eligibility determinations and payments, et cetera.

As we gain experience and understanding more the nuances of how we need to manage this rules-based system, we are going to continue to work toward the point where we have everything processed automated.

One thing I would remind the Members of, is we are talking about the Post-911 GI Bill. We are looking at our other programs in the same way, but our focus right now is the Post-9/11 GI Bill.

Mr. BOOZMAN. Thank you, Madam Chair.

Ms. HERSETH SANDLIN. Mr. Adler, did you have any questions you would like to pose or a statement?

Mr. ADLER. Thank you, Madam Chairwoman. First of all, Director Wilson, I thank you so much for the passion in which you discussed your past experience, your personal experience and I am so

optimistic you will continue to bring that level of passion to meet the needs of our people mustering out of service and trying to transition successfully to a civilian life through education.

Are there anything, any other tools you need from Congress to achieve this goal of the Post-9/11 GI Bill?

Mr. WILSON. The main tool we need is the ability to continue an aggressive dialog with Congress. We are anxious to engage with Congress, as we have, to continue that, expand that.

We want to streamline this as much as possible while making sure that we don't do anything that we don't want to do in terms of interrupting the level of service that we have now. We do have limited flexibility concerning what we can do with our existing IT structure, but the main thing is continued dialog, I believe.

Mr. ADLER. Director Wilson, I thank you for that. We welcome dialog and, frankly, we would like to hear from you as needs arise before crises arise, so if you see a backup because IT is not working, I know there are other folks working in the VA who don't like to come here for dialog because sometimes it is in a less pleasant environment, a less pleasant context than we are discussing today in terms of meeting needs of folks who are trying to achieve their goals through education.

So, please, we welcome that dialog proactively on your part. Tell us what you need from us in order to achieve the goal for all America of treating our veterans rights in the education context.

I thank you. I yield back.

Ms. HERSETH SANDLIN. A couple of final questions with regard to the education call center. We have received some calls to the Committee from some veterans who are frustrated in terms of their inability to reach a VA official when they are calling with questions regarding a pending education claim, and you had mentioned it in your written testimony, that the VA hired and redirected a total of 57 term personnel to the education call center. Are you able to call the data to tell us how long the average wait time has been for veterans to connect, what the dropoff rate percentage is and how long these 57 term personnel will be available, and do you need additional resources as it relates to the importance of that education call center to so many veterans?

Mr. WILSON. I don't have that data with me, but I would be happy to provide it for the record.

Ms. HERSETH SANDLIN. You can access it and get it to us?

Mr. WILSON. Yes.

Ms. HERSETH SANDLIN. Okay. If you could do that.

Mr. WILSON. Yes, I would be happy to do that.

[The VA subsequently provided the information in the answer to Question #9 of the Post-Hearing Questions and Responses for the Record, which appear on p. 32.]

Ms. HERSETH SANDLIN. Okay. We would appreciate that.

Mr. WILSON. Because those—

Ms. HERSETH SANDLIN. It is one of those frustrations that we want to seek to alleviate and it would be helpful for this Subcommittee to know what those statistics are now, so that as you take steps to improve it and we have the information to compare it to in terms of the necessary personnel going forward.

Mr. WILSON. I will be happy to do that.

Ms. HERSETH SANDLIN. Before we conclude the hearing, I would like to make a few comments for you to consider as the VA moves forward with the implementation of all of its education programs. Again, we will continue to work closely with you as it relates to your goals and objectives for implementing the long-term solution for the Post-9/11 GI Bill and then fully moving everything over. Again, there is interest at the full Committee level to streamline the benefits to enhance availability, customer service, timeliness, the whole bit for our veterans as they access these important benefits.

Based on the feedback that we have received from a number of veterans, we think that the VA should consider the following:

Informing veterans of the importance of submitting an application of eligibility early, allowing the VA enough time to process a claim before the semester begins; asking veterans if they plan on using their education benefits in the upcoming term during that application process. It is my understanding that the VA doesn't ask that simple question that, I think, would allow the VA officials to prioritize the processing of the certifications of eligibility.

Also, informing veterans to expect to receive their first housing and book stipend in arrears—maybe we seek to change that, but until we do, given that it is administered the same way it was under the other education claims benefits, knowing that there was some information or misinformation or miscommunication in some of the outreach efforts that different organizations in the VA were doing, there was an expectation that wasn't effectively managed there.

Until a change is made, we all have to inform veterans more effectively on what to expect as it relates to receiving those housing and book stipends, informing veterans of the benefits to applying for additional Federal education programs that could enhance their VA education benefits. I would encourage you to let us know or to coordinate with and for us to understand better the role of State Approving Agencies and assisting in that regard, other veteran service organizations that can help communicate all of the opportunities available to our veterans. Especially the Federal Pell Grant Program and the Federal Work Study Program that may provide a source of funds to veterans waiting for VA housing and book stipends to be received certainly.

And furthermore, as you might recall, with the leadership of Mr. Boozman, Congress authorized the VA to conduct mass-media outreach services. The VA has the opportunity to use this resource to implement some of these recommendations to ensure that student veterans don't experience the same barriers that the first wave of students recently encountered.

Again, I think, given all that you did anticipate, some of which you didn't anticipate, I do have confidence that we all will apply lessons learned to address this going into the next semester, the following, and the deployment of the long-term solution. But I do think that this authorization to conduct mass-media outreach services, getting ideas for its effectiveness, working with SAAs, working with our VSOs would be very helpful.

I hope that you will place serious consideration on these recommendations that don't require Congressional intervention. I,

along with my colleagues and the Committee, stand ready to assist the administration, the President, the Secretary and you, as you seek to eliminate the delays in processing the education benefits for our Nation's veterans and their dependents.

Mr. Wilson, I thank you for your testimony, your responsiveness, your service to the country and your commitment to our Nation's veterans.

The hearing now stands adjourned.

[Whereupon, at 3:36 p.m. the Subcommittee was adjourned.]

## A P P E N D I X

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### **Prepared Statement of Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunity**

Today, we seek to administer our oversight jurisdiction on the VA's implementation efforts of the Post-9/11 GI Bill. I expect that this hearing will provide the VA the opportunity to update us on recent actions taken to address delays in distribution of education benefits, and its plan moving forward to ensure the same mistakes do not occur in the future.

To date, our main focus has been to ensure VA has the resources to upgrade its information technology to support the unique demands of the Post-9/11 GI Bill. Furthermore, we have actively requested that VA appropriately alert us of any shortfalls in resources to successfully complete its mission, to include legislative changes that must be made by this Subcommittee.

Today we are seeking assurances that the VA has sufficient resources to meet all its goals and demands placed upon it by Public Law 110-252. Unfortunately, the past few weeks have shed some light on the shortcomings facing the VA and how it must improve the way it processes education claims.

Yesterday we had the pleasure of welcoming Secretary Shinseki to the full Committee so that he could highlight VA's accomplishments and unmet goals. I appreciate the Secretary's sincere commitment to provide our Nation's veterans with the best resources in a timely manner. I share this strong commitment and applaud actions taken by the VA to address the current backlogs in distribution of education benefits. While this is commendable, more forethought should have been given to the emergency check solution to address any potential problems.

I would like to make a few comments for VA to consider as it moves forward with the implementation of all its education programs. Based on the feedback that we have received from veterans, the VA should consider the following:

- Informing veterans of the importance of submitting an application of eligibility early allowing the VA enough time to process a claim before the semester begins;
- Asking veterans if they plan on using their education benefits in the upcoming term during the application process. It is my understanding that VA does not ask this simple question that may allow VA officials to prioritize the processing of certifications of eligibility;
- Informing veterans to expect to receive their first housing and book stipend in arrears. Many of us have heard from several misinformed veterans that thought they would receive this benefit prior to the start of school; and
- Informing veterans of the benefits to applying for additional Federal education programs that could enhance their VA education benefits. The Federal Pell Grant Program and the Federal Work-Study Program may provide a source of funds to veterans waiting for VA housing and book stipend to be received.

Furthermore, you might recall that, with the leadership of Ranking Member Boozman, Congress authorized the VA to conduct mass media outreach services. The VA has the opportunity to use this resource to implement some of my recommendations to ensure student veterans do not experience the same barriers that the first wave of students recently encountered.

I hope you place serious consideration to these recommendations that do not require Congressional intervention. I, along with my colleagues in the Committee, stand ready to assist the administration as it seeks to eliminate any delays in processing education benefits for our Nation's veterans and their dependents.



**Prepared Statement of Hon. John Boozman, Ranking Republican  
Member, Subcommittee on Economic Opportunity**

Good afternoon Madam Chair. I believe this will be the sixth hearing we have held on implementation of the Post-9/11 GI Bill since it became law last June. We have discussed staffing needs, the initiative to develop the new information technology systems needed to help manage the program, and the administrative complexity of the program. In short, I believe we have covered the waterfront.

Despite our work and that of the VA staff, we are about what we predicted in terms of a backlog in processing claims for education benefits. In hearings before passage of the new program, VA testified as to the administrative complexity and the resultant challenges. I suspect even VA has been surprised about some of the unseen and unintended consequences of the new program. I want to be very clear that there is plenty of blame to go around. Congress rushed the bill through without adequate consideration of alternatives such as the Chair's H.R. 5684 or fixes to the Senate bill. The VSOs were too focused on one product at the expense of others, and VA should have recognized the need for more staff sooner than May.

I congratulate Keith Wilson on crafting VA's testimony, which in a very polite way, essentially says, "We told you so." Despite the massive effort by the Education Service to meet all the milestones some veterans are still waiting for checks. The current backlog is due to many things such as VA's staffing, when a veteran applies for eligibility, when a school certifies enrollment, when a State legislature sets the budget for State schools, and other factors. So while there have been some bumps in the road, I believe the Education Service deserves our appreciation for the job they have done. With the resources now in place and the arrival of the phase three software, hopefully, we will not have a repeat of this fall's situation.

Madam Chair, it is time for us to hear from VA about the changes they believe are needed to smooth administration. In yesterday's State of the VA hearing with Secretary Shinseki, Ranking Member Buyer offered some suggestions to consider to reduce the administrative workload. Whether any of them are viable, or whether there are other technical changes VA considers needed, we need to hear from the Department.

Finally, the time for finger pointing is over. I welcome anyone's ideas and look forward to working with the Chair to take appropriate action.

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**Prepared Statement of Keith M. Wilson, Director,  
Office of Education Service, Veterans Benefits Administration,  
U.S. Department of Veterans Affairs**

Good afternoon Chairwoman Herseth-Sandlin, Ranking Member Boozman, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the status of the Post-9/11 GI Bill implementation. My testimony will address the challenges we face, the current status of education claims, workload trends, and countermeasures we are taking to alleviate delays in processing. Additionally, I will highlight the important Congressional support we received during implementation.

**Background and Challenges**

Enactment of the Post-9/11 Educational Assistance Act on June 30, 2008, gave VA approximately 14 months to develop a new, highly complex eligibility and payment system for hundreds of thousands of claimants who would be eligible to receive benefits under the new program on August 1, 2009. To meet this challenge VA began accepting applications to determine eligibility for the Post-9/11 GI Bill on May 1, 2009. On July 6, 2009, we started accepting enrollment certifications from school certifying officials for Veterans utilizing their Post-9/11GI Bill benefits for the fall term and began processing claims for payment. The first payments were disbursed by the U.S. Treasury on August 3, 2009.

Since May 1, 2009, approximately 210,000 individuals have been deemed eligible and provided a certificate of eligibility, and approximately 44,500 students have received a payment under the Post-9/11 GI Bill. Not all individuals who applied to determine their eligibility for the new program will immediately enroll in school; they generally have 15 years following active-duty separation to use their education benefits.

VA testified before this Subcommittee on October 18, 2007, stating that, "these new payment methods [for the Post-9/11 GI Bill] would require extensive enhancements to existing payment systems. . . . Our continued concern is limiting the impact on beneficiaries and ensuring timely receipt of payments." Between June and

October 2008, VA sought contractor support for development of an information technology (IT) system to process Post-9/11 GI Bill claims beginning August 1, 2009. As stated in VA's press release of October 10, 2008, "VA did not receive enough proposals from qualified private-sector contractors to create an IT program that implements the new benefit." VA did not have confidence that any of the respondents could create the required complex IT system in sufficient time to meet the August 1 deadline. As a result, VA terminated the solicitation process and began implementation with internal resources. From this point, VA had 9 months remaining to complete implementation.

Due to the short timeframe, complexity of the new benefit program, and limited availability of internal IT resources, VA began development of an interim claims processing solution while simultaneously developing a long-term, rules-based processing solution in cooperation with the Space and Naval Warfare Systems Center Atlantic (SPAWAR). VA's Office of Information & Technology (OI&T) designed the interim processing solution functionality in three separate phases. Each phase is intended to deliver a specific set of functionalities for claims examiners to process Post-9/11 GI Bill claims. Development of the interim solution has presented significant challenges due to the complexity of the new program and the reduced timeline for delivery. Prior to August 1 implementation, OI&T delivered two of the three phases of the interim solution.

Post-9/11 GI Bill claims currently require manual processing using four separate IT systems that do not interface to each other. When an application or enrollment certification is received, the documents are captured into The Image Management System (TIMS). The documents are routed electronically to a claims examiner for processing. The claims examiner reviews the documents in TIMS and determines the student's eligibility, entitlement, and benefit rate using the Front End Tool (FET). The FET is used to calculate and store student information to support the Post-9/11 GI Bill claims adjudication process. However, the FET has limited capability for processing the multiple scenarios encountered in determining eligibility and entitlement under the new program. As a result, VA in conjunction with MITRE Corp. developed multiple job aids, or out-of-system tools and spreadsheets to augment claims processing.

Once the benefit rate and payment amount are determined, the claims examiner manually enters the payment information into the back-end tool (BET). The BET utilizes the existing Benefits Delivery Network (BDN) to issue payments. A payment cannot be processed until at least two individuals approve the award and payment amount. All evidence to support the award actions taken by the claims examiner and a senior claims examiner is captured into TIMS. This process is completed separately for the housing allowance, the tuition and fees payment, and the books and supplies stipend. Due to lack of integration among systems, the time to complete a Post-9/11 GI Bill claim is significantly longer than processing time for other education benefits. Currently, it takes approximately 1½ hours to process one original claim under the Post-9/11 GI Bill.

Phase three of the interim solution, which will provide increased functionality and additional automation for processing Post-9/11 GI Bill claims, was originally scheduled for deployment in September 2009 during the peak enrollment period for processing education claims. Due to the complexity involved in processing for both amended awards and overlapping terms, phase three is now scheduled for early November 2009. Amended awards include changes in a student's actual charges for tuition and fees and reduced or increased course loads. Since the law requires VA to pay actual charges, amended awards are required for any change in a student's tuition and fees.

Because the program implementation date falls in the middle of some school terms, VA must also determine rates payable to students in school on August 1, 2009, under two separate benefit programs and pro-rate Post-9/11 GI Bill benefits. Further complicating the claims process are overlapping terms. It is not uncommon for many students to enroll in courses that begin and end in overlapping time periods at different schools. Processing these claims involve additional manual calculations for the overlap as well as separate payments going to more than one school.

In testimony before the Senate Committee on Veterans' Affairs on May 7, 2007, VA noted that, "the increased amount of benefits payable at varying levels for different institutions would make administration of this program cumbersome. The requirement that the benefit be paid at the beginning of the term would further complicate administration and would tax existing VA resources."

The new benefit program requires VA to determine maximum tuition and fee rates for each State before the beginning of each academic year. Schools do not typically set their tuition and fee rates until State support is determined for the academic year. Many States did not pass their operating budgets until late July/early

August. Correspondingly, institutions could not set tuition and fee rates until late August. Delays in determining the 2009–2010 maximum tuition and fee rates resulted in delayed processing of payments for students attending school in those States.

#### **Current Status**

Since May 1, 2009, we have received over 937,000 claims for education benefits under all education programs and have processed approximately 794,000 claims. Enrollment certifications for approximately 30,000 students are currently pending under the Post-9/11 GI Bill. Processing actions under our education programs increased by 180,000 over the same period last year, due in significant part to the large number of requests for certificates of eligibility for the Post-9/11 GI Bill. The net increase in enrolled students is approximately 70,000.

In fiscal year 2008, the average time to process all education claims was at a 5-year low; we averaged 19 days for original claims and 10 days for enrollment certifications. This fiscal year, our average processing time has risen to 26 days for original applications and 13 days for enrollment certifications. Under the Post-9/11 GI Bill, however, original applications are taking an average of 35 days to process.

#### **Workload Trends**

VA anticipated a majority of students would transfer from the Montgomery GI Bill—Active Duty (MGIB-AD) and the Reserve Educational Assistance Program (REAP) to the new Post-9/11 GI Bill by the beginning of the fall 2009 enrollment period; however, this has not happened. Instead, we have seen only a slight decrease in the number of claims received under MGIB-AD and REAP compared to the same time last year. An original claim for education benefits takes more time to process because it requires an eligibility determination before benefits can be paid. At this time last year, only 15 percent of the claims received during the fall enrollment period were original claims. Between May and September of this fiscal year, 100 percent of the Post-9/11 GI Bill claims required an original entitlement determination. We also expected the majority of Veterans applying for a certificate of eligibility for the Post-9/11 GI Bill would start school during the fall enrollment period. Instead, many applied for the new program to receive an eligibility determination, but did not enroll in school this fall. This is also true for the new transferability provisions under the Post-9/11 GI Bill. The Department of Defense (DoD) has received 66,000 applications to transfer entitlement and has approved 52,000. Of those, VA has received only 22,000 applications from spouses and dependents to use this benefit for the current academic year.

#### **Meeting the Challenge Together**

On May 7, 2008, VA testified before the Senate Committee on Veterans' Affairs that, "VA does not now have a payment system or the appropriate number of trained personnel to administer the program...it would take approximately 24 months to deploy a new payment system" to support the proposed law. Congress heard our concerns and responded through providing significant funding for VA to hire 530 term employees in December 2008 to address the anticipated increase in claims under the Post-9/11 GI Bill. When we determined we would have limited IT capability for the interim processing solution, we hired an additional 230 term employees utilizing the additional funding provided by Congress under the American Recovery and Reinvestment Act (ARRA).

VA is using all available resources to deliver education benefits to our Veterans. VA rehired nine retired claims examiners and redirected 70 Regional Processing Office (RPO) employees to provide additional claims processing support. We implemented policies to streamline the entire claims process based on case reviews identifying duplication of efforts and redundant or unneeded development. We also implemented a mandatory overtime policy at all of our RPOs, requiring three additional days per pay period per person for claims processing. While we are actively taking all possible steps to reduce the time to process and pay an education claim, we recognize that we are not timely serving all of our Veterans. In response, the Secretary of Veterans Affairs authorized issuance of advance payments to Veterans enrolled in school who have not received their benefits. On October 2, 2009, VA began issuing advance education payments to Veterans, in amounts up to \$3,000, at our 57 Regional Offices and through an online portal at [va.gov](http://va.gov). Advance payments are being made to Veterans in all of our education programs. In the first week, VA made advance payments to over 41,000 Veterans totaling approximately \$120 million. Payments made under this special provision will be recouped from Veterans' future benefits.

### Stakeholders

Numerous initiatives were undertaken to better serve and inform our stakeholders. VA increased efforts to more widely disseminate information, and to also improve the quality of information communicated.

The Education Call Center (ECC) is an important resource for Veterans to receive information about their education benefits. To meet the increased call volume, VA hired and redirected a total of 57 term personnel to the ECC, expanded phone hours, and added 72 additional phone lines.

VA also increased correspondence with the higher education community. We directed our Education Liaison Officers to personally contact certifying officials at schools with 300 or more Veteran students to answer any questions they had regarding certifying Veterans' enrollments or the new Post-9/11 GI Bill. They also reminded the schools that it is not necessary to wait for the student's certificate of eligibility before certifying the student's enrollment. This has never been a VA requirement in any VA education program, and the same applies to the Post-9/11 GI Bill. VA also sent letters to schools providing a status on the state of claims processing and payments. More than 6,000 schools were provided supplemental information on the Yellow Ribbon Program. Over 159 schools were contacted directly to address questions or concerns about the program.

It has also been a priority to involve the higher education community in the implementation of the Post-9/11 GI Bill. VA worked with the American Council on Education (ACE) to evaluate the next steps to be taken and to keep open an important line of communication with the education community.

### Conclusion

VA has hired and trained 720 new employees; built over 55,900 square feet of office space; drafted and published 359 pages of new regulations; conducted over 100 outreach and training events; entered into over 3,400 Yellow Ribbon agreements with 1,165 schools; modified 10 existing IT systems; and developed a new interim system for the Post-9/11 GI Bill. Our Education employees continue to work tirelessly to deliver benefits to all of our Veterans attending school this fall. We are proud of the accomplishments of our employees within the short time since the bill was enacted.

We recognize much work remains in order for us to achieve our goal of timely delivery of education benefits to all Veterans enrolled in the Post-9/11 GI Bill and our other education programs, and we remain focused on achievement of our goal. VA will continue to place the needs of Veterans first as we overcome the current challenges in providing education benefits.

VA looks forward to engaging in a dialog with Congress and our stakeholders to improve administration of the Post-9/11 GI Bill. Thank you for your continued support throughout this effort.

Madam Chairwoman, this concludes my statement. I would be pleased to answer any questions you or other Members of the Subcommittee may have.

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### Statement of Patrick Campbell, Chief Legislative Counsel, Iraq and Afghanistan Veterans of America

Madam Chairwoman, Ranking Member, and Members of the Subcommittee, on behalf of Iraq and Afghanistan Veterans of America (IAVA), thank you for the opportunity to submit written testimony for this hearing on the status of implementing the Post-9/11 GI Bill. From legislative drafting to cutting tuition checks, IAVA has been closely monitoring and engaging in the evolution of this new benefit. IAVA strongly believes that the Post-9/11 GI Bill will help chart the course of the next great generation if implemented effectively.

We commend the VA's decision to issue emergency checks to veterans who were desperately awaiting their education benefits. However, these checks are merely a stopgap measure. The VA and Congress must address the underlying problems with processing of Post-9/11 GI Bill claims before another round of delayed checks leave veterans in the lurch. IAVA recommends the following short-term and long-term fixes to address these issues:

- Immediately reassess their processing capacity and make a realistic recommendation to Congress for additional staff.
- Enlist the help of VSO's and schools to aggressively promote this generous new benefit and establish realistic expectations among veterans.
- Ensure that the long-term automated solution is capable of incorporating upcoming changes to the Post-9/11 GI Bill.

- Streamline and simplify the Post-9/11 GI Bill to reduce confusion and hasten processing times.

#### ***How serious is the check backlog?***

Over 30,000 veterans, nearly half of all Post-9/11 GI Bill users, are still waiting for their education benefits due to no fault of their own. These veterans were promised that the new GI Bill would pay their tuition and fees charges up front. “You go to school and the VA will pick up the tab” has been promised to millions of veterans as one of the key components of this new GI Bill. Now these veterans are relying on the patience and gratitude of their schools and universities to defer their tuition payments. Sadly, some veterans have been told that their school will not grant veterans “any special treatment” (e.g., deferred tuition) and they were forced to pay out of pocket or risk being kicked out of their classes.

These same thirty thousand students were promised a healthy living allowance, allowing them to make school their top priority. Most veterans did not know that living allowance checks were paid at the end of each month. When they learned this hard fact they were forced to borrow and scrimp to cover food and rent. Veterans are resourceful and many could cover a month’s living expenses if they could be assured their checks would come at the end of the month. Unfortunately, when these veterans called the GI Bill hotline they were put on hold upward of an hour and often greeted with phone message saying benefits were being delayed 6–8 weeks. Veterans who did get through were told to call back in a month or so to check on their claim. For many this was a month longer than they could wait.

Not knowing how you can afford your next meal or whether you can afford to buy your textbooks before midterm exams is an serious and disruptive pressure to place on any student. Veterans are now being forced to wrestle with the VA and their schools just to get by, when many veterans just want to be normal students and focus on their education. These GI Bill check delays frustrate the primary purpose of GI Bill benefits: a meaningful opportunity for returning veterans to readjust to civilian life and build a sound economic future (The Servicemen’s Readjustment Act of 1944”).

#### ***Why do we have a backlog?***

Last year the average processing time for Montgomery GI Bill (MGIB) claims was 14–17 days. Currently the VA is stating the average processing time for a Post-9/11 GI Bill claim is 35 calendar days. The VA often writes a check to a veteran, on average, 35 days after the veteran and their school complete their paperwork. Unfortunately, the VA rarely receives completed paperwork from the schools at the beginning of each academic term; a veteran starting classes on September 1st may not receive their first check until the end of October or early November.

Processing of a Post-9/11 GI Bill claim is a lengthy and laborious two-step process. The first step is to determine the veteran’s eligibility for the benefit. The processor must determine:

1. If the veteran qualifies for the benefit?
2. The percentage of benefits the veteran qualify for?
3. How many months of remaining benefits are left?
4. Eligible for enlistment kickers or college fund?

Claims processors review veterans’ claims for benefits using three separate sources of information to determine the length of qualifying service: the veteran’s DD214 and DoD and VA Databases. Ironically, according to claim processors, the VA database is the least reliable source of information. Collected information is then inserted into a number of separate forms that calculate each part of the benefit. The processor then needs to “print screen” each form and save it to the veteran’s file. This is the only way to track how that particular veteran’s benefit was determined. After an hour of manual processing the veteran is issued a certificate of eligibility (CoE).

The second step requires that schools certify the veteran’s enrollment to the VA. A low paid school official certifies to the VA that:

1. The veteran is enrolled at their school and that the student is attending at least one class.
2. Which classes the veteran is taking (name and number of units). If a veteran adds or drops a class the certifying official must immediately notify the VA of any changes.
3. Education goal of the veteran (certificate or degree).
4. Tuition and fee charges.
5. Yellow Ribbon Scholarships or Waivers.

These certifications are filed electronically to the VA for review via a system called VA ONCE. The VA claims processor then reviews each of the school's certifications and begins determining the appropriate tuition and fee payments, yellow ribbon payments, living allowance rates, and the book stipend. These calculations take another hour to process.

To complete all required steps take 2 hours per Post-9/11 GI Bill claim. The VA recently hired 760 new claims processors to handle the increased workload. IAVA believes the VA grossly underestimated the time needed to process each Post-9/11 claim and did not adequately hire enough staff to process claims. We are concerned that many of these new claims processors have not yet been fully trained and therefore are not authorized to process claims individually, requiring twice the workforce to process one claim.

#### ***Where are we now?***

Over the past few weeks the VA has released some confusing numbers regarding their status of processing GI Bill checks. Although the VA will undoubtedly be releasing the most recent numbers, we would like to explain what those numbers actually mean to veterans. As of October 6th:

#### **Step One: Eligibility**

- Approximately 290,000 veterans have requested a Certificate of Eligibility (CoE) from the VA
- Approximately 205,000 (71 percent) veterans have received a CoE from the VA

#### **Step Two: Enrollment**

- 64,000 schools have submitted a certification of enrollment to the VA for veterans
- 34,000 (53 percent) veterans have received payments from the VA

According to the VA, each day they are still receiving an additional 2,000 enrollment certifications from schools and are processing 3,000 backlogged enrollment certifications. On average that means that the VA is processing 1,000 more claims than they are receiving. With a current backlog of 30,000 veterans awaiting checks, the VA will likely close this gap in a little over a month.

#### **How did the VA respond to the delays?**

The VA acted boldly when they agreed to issue emergency \$3,000 checks to veterans awaiting their GI Bill payments. In just 1 week the VA issued more emergency checks (36,161) than Post-9/11 benefits that they had completely processed during the past 5 months (34,000 veterans had received checks). The VA notified VSOs of their emergency plan and we responded in force, leveraging our varied strengths. The VFW and American Legion enlisted local posts to drive veterans to their closest regional offices and IAVA notified tens of thousands of Iraq and Afghanistan veterans through a mass E-mail and Web video. We continue to update veterans and schools through our well trafficked [newgibill.org](http://newgibill.org).

The VA publishes almost daily workload reports and welcomes feedback. When banks put holds on the handwritten checks from the VA, the VA quickly addressed the problem by working with several banks to cash these checks immediately. The VA also issued letters to banks verifying the checks authenticity. This past weekend the VA reached out to veterans soliciting their feedback and asked VSOs to tell our veterans that these calls were coming. Because of this joint effort, IAVA recently received the following e-mail from a school official:

I have a student who got out of the Army after 4 years. He has no family here nor did he have a place to live. He has been in a shelter for the last month. When you guys told me via your Web site about this 3000 check advance I had to see if he could get it a week before school. The VA just gave him the check as well as money to get home (he had walked to the VA—to say the least it is a few miles). This is a tribute to what you guys have done as well as the VA being able to come through for our vets. The VA also wrote a letter for another student stating that he was getting \$1531 a month so that he could get an apartment.

IAVA believes that this stage of the VA's response to the backlog should serve as a model for future problem solving efforts. The VA:

- Publically acknowledged the problem;
- Swiftly implemented a bold short-term solution;
- Enlisted the help of veteran service organizations; and
- Quickly solicited and nimbly responded to veterans' feedback.

IAVA is grateful to the VA for impressive effort to stand up this type of emergency program. We look forward to working with the VA on the last stage of any problem solving effort, developing a long-term solution.

Sadly, this commendable effort was not was the VA's first response to the backlog crisis. Initially the VA publically and privately deflected responsibility on the backlog on two key points that IAVA feels still need to be addressed. The VA has claimed that delays in submitting enrollment certifications by schools have contributed to the backlog. IAVA believes schools that fail to submit timely enrollment certificates ensure that their veterans will receive delayed checks. Schools that have not yet submitted their paperwork must do so immediately. However, these delayed enrollment certifications did not create the backlog. In fact they spread out the stream of applications coming into the VA, reducing the average processing time for each claim. If every enrollment certification had been submitted on the first day of school the VA would have been buried under all the paperwork and would be no further ahead in cutting checks.

IAVA has received a number of complaints from school officials stating that the VA substantially changed the certifying process well after these officials had received their training and began certifying enrollments. Their specific complaint focused on VA guidance that required schools, that offer State grants, to wait to certify tuition and fee amounts until the State grants had been finalized. Last minute changes to the procedures and regulations have made schools nervous about certifying enrollments too early in the process. Realistically, most schools will not certify enrollments until at least after the first week of classes. This is because, if a school certified a veteran who does not show up to school the school is responsible for refunding tuition and fees payments to the VA. Additionally, if a veteran adds or drops a class after the enrollment certification is submitted, additional paperwork is required. These changes may place the veteran in an overpayment situation resulting in a bill from the VA. Many schools wait until the add/drop period is completed to reduce their paperwork and ensure veterans aren't receiving bills from the VA. Delayed certifications is an issue that must be addressed for future academic terms, but they are not responsible for the current claims backlog.

Second, the VA did a poor job managing veterans' expectations by failing to communicate critical information in a clear and concise manner. In fact, the VA blamed veterans' lack of knowledge of when their checks should be arriving and the public's misconception of how long it takes to process claims for a disproportionate "perception" of a backlog. Many veterans, new to the GI Bill, reasonably did not know that monthly living allowance payments are paid in arrears, at the end of the month. IAVA believes that establishing realistic expectations for when benefits will be paid and how much those benefits will be is the responsibility of the VA and any VSO talking about this new GI Bill. However,

Additionally, IAVA acknowledges that GI Bill claims are seasonal and it is natural that the VA's processing time slows down during the Fall when veterans apply for general eligibility and schools submit enrollment certifications. However, IAVA believes that an average 35 days processing time is more than a natural slow down and is wholly unacceptable regardless of when it occurs because it places an undue burden on our veterans.

#### ***What are the long-term issues that need to be addressed?***

In truth, the VA and veterans across the country dodged a bullet with the Post-9/11 GI Bill. The VA had initially projected upward of 400,000 veterans seeking benefits under this great new program. Less than a quarter of that projected population began going to school this year. This was the result of general confusion and the VA's decision to grant veterans, who had begun using Chapter 30 (MGIB) benefits, an additional 12 months of benefits under the new GI Bill. However, they could only take advantage of the New GI Bill after they had exhausted their entire MGIB benefits. This resulted in hundreds of thousands of veterans continuing to use their MGIB benefits. They did not transfer over to the new GI Bill and did not add additional load to the system.<sup>1</sup> If all the projected veterans had applied for their Post-9/11 benefits and given the VA's inability to process current claims quickly, IAVA believes that the wheels would have fallen off of the truck.

As stated before, IAVA does not believe that the VA hired enough claims processors to handle the new GI Bill. The VA needs to immediately reassess their processing capacity and make a realistic recommendation to Congress for additional staff. Mandatory overtime is not a sustainable solution to ensuring GI Bill checks

<sup>1</sup>In FY 2008 the VA issued 461,259 veterans education benefits. Already this year alone the VA is poised to pay 551,923 veterans education benefits, only 10 percent of which are Post-9/11 GI Bill users.

get out the door on time. The VA must also finish training all their claims processors in order to maximize the work accomplished from their current processing staff.

The VA also needs to aggressively outreach to and educate veterans on this new program to promote the generous new benefits and establish realistic expectations. While the VA has done an excellent job conducting outreach with the emergency checks, the VA continues to rely on a passive "pull" presence on the web to explain a complicated and lucrative new benefit program overall. The VA does not have the internal capacity to mount the large-scale outreach campaign required for a program of this magnitude. I have personally witnessed Keith Wilson crisscrossing this country attending countless GI Bill forums trying to spread the word. There are not just not enough people within the VA with Keith Wilson's ability to tell the GI Bill story. Even the GI Bill Call Center, the "one stop shop" the VA has been directing all veterans with GI Bill question to, has been overrun by veterans' calls. Wait times can be over 45 minutes because half of the operators were pulled to help process claims. The VA needs what the military calls a force multiplier, a plan to teach others to spread the word and answer questions. This can be accomplished by enlisting veteran service organizations, schools, and a cadre of trained GI Bill experts to multiply the number of people pushing out good information.

In the long term the VA continues to implement their plan to automate the processing of Post-9/11 GI Bill claims by January 2010. However, the VA's most recent experience should raise some red flags. The new GI Bill rules keep changing and they will likely continue to change for the foreseeable future any automated system must be fluid enough to manage these changes. While Congress has only changed the Post-9/11 GI Bill once since its passage (the MSGT Fry Scholarship program), the VA has issued a steady stream of dramatic changes since the final regulations have been published in January. For example they created separate tuition and fees caps; granted an additional 12 months of benefits to MGIB users; changed transferability requirements and altered tuition/fee caps well after the August 1st deadline. Unfortunately, the contract for the development of this new automated system is predicated on a Post-9/11 GI Bill that remains static and unchanged over an academic year. IAVA is deeply concerned that the VA's contract to automate these claims does not offer the flexibility required to handle necessary upgrades to the Post-9/11 GI Bill.

At a macro level, there is general agreement that there are too many GI Bill benefit programs (Chapters 30, 1606, 1607 and 33) to be effectively administered by the VA or understood by veterans. IAVA concurs with other VSOs that there should be one "Total Force" GI Bill and we believe that it should modeled on a streamlined version of the Post-9/11 GI Bill. This streamlined new GI Bill should include all veterans who were excluded under the new GI Bill (Full-time National Guard servicemembers and Vocational/OJT/Apprenticeship students). We also believe the tuition and fees portion of the benefit has become thoroughly confusing and unwieldy to implement and therefore needs to be simplified. Last, distance learners should not be discriminated against by denying them a living allowance. We believe that the Post-9/11 GI Bill, if effectively implemented, will change history and we continue to reap benefits for generations to come.

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**Statement of Hon. Ron Klein, a Representative in Congress  
from the State of Florida**

Mr. Chairman, thank you for calling this important hearing. I am here today to bring attention to the experiences that the veterans of south Florida have had in the recent implementation of the 21st century GI Bill.

Let me say at the outset that I am grateful that Congress passed this legislation, and I was proud to be a sponsor and a strong supporter. I strongly believe that those who put on the uniform deserve the best benefits when they return—and that includes a quality education. The GI Bill for the 21st century will make our veterans an integral part of our economic recovery by providing a new generation with the education they need to succeed.

In July, I sponsored a college fair at Broward College in my district for veterans who had recently returned from Iraq and Afghanistan. I wanted to ensure that they knew about the benefits that they would receive and make sure that they were prepared to take advantage of them.

However, some constituents found that benefits were not easily processed. One constituent from Boca Raton, Florida has already paid for his books out of pocket. The college of his choice gave him an extension for tuition payments until Novem-



ber, but cannot register for next semester's classes, making it more difficult for him to get the required credits for graduation.

Another constituent from Coconut Creek Florida filed his tuition benefits paperwork in July and was told that processing could take 8 weeks. He began attending classes in August, but unable to pay for his tuition, he worries when his check will come.

I am grateful that Secretary Shinseki and the staff at the Department of Veterans Affairs moved quickly to address these issues once the problem became apparent. Their swift action was certainly an important message to send to our veterans. But, this process should not require the intervention of a Member of Congress.

Mr. Chairman, it was not easy for these veterans to earn these benefits; they endured the horrible scars of war. But, it should be easy to access these benefits. The 21st century GI Bill is an extraordinary opportunity for veterans to return to civilian life and follow their dreams. I look forward to working with you Mr. Chairman, and the Department of Veterans Affairs to ensure that veterans are paid in a timely manner and that we fulfill the promise that we made to our Nation's heroes.

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#### **Statement of Pennsylvania Association of Private School Administrators**

As the Committee knows, the Post-9/11 GI Bill (Chapter 33) created an additional education benefit for student veterans on August 1, 2009. The new benefit offers a total of 36 months of education benefits, the equivalent of four academic years.

However, the new GI Bill is not fair. Not all Veterans can choose the type of education they want and need. Students attending *non-degree* post-secondary education institutions including public vo-techs, some career schools, certain nursing schools and apprenticeship programs are not eligible for enhanced GI Bill benefits.

On return to civilian life, many returning servicemembers are interested in quickly hitting the ground running. Short-term certificate and diploma programs can be a critical part of a successful transition. But if they are not offered at a degree granting school, then programs in truck driving, aviation maintenance and gunsmithing, skills many vets may naturally want to enhance, are not eligible under the Post-9/11 GI Bill. Other ineligible programs might include HVAC, construction trades, tool and die training and allied medical programs such as medical assisting, EMT and para-medical. Even some business training programs could be excluded.

In addition, the current structure requires the serviceman or woman to make a decision about whether to be in traditional Montgomery GI Bill (Chapter 30) or Chapter 33, which is confusing to many of them, at a time when they are in a major transition.

A growing number of veterans groups have recently stepped forward to challenge the exclusion of non-degree granting institutions from the Post-9/11 GI Bill. Non-degree institutions and apprenticeship programs have always been included in the traditional Montgomery GI Bill (Chapter 30) so why should Chapter 33 be different? After a veteran has bravely served their country, they should be allowed to pursue their next career at the school of their choice.

The Pennsylvania Association of Private School Administrators represents the more than 320 private career colleges and schools in the Commonwealth. PAPSA is the only association representing all for-profit colleges and schools in Pennsylvania. With over 150 school members, PAPSA is the unified voice of quality career school education.

## MATERIAL SUBMITTED FOR THE RECORD

Committee on Veterans' Affairs  
 Subcommittee on Economic Opportunity  
 Washington, DC.  
*October 19, 2009*

Mr. Keith M. Wilson  
 Director, Office of Education Service  
 Veterans Benefits Administration  
 U.S. Department of Veterans Affairs  
 810 Vermont Avenue, NW  
 Washington, DC 20420

Dear Keith:

I would like to request your response to the enclosed questions for the record and deliverable I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on VA Status Report on Post-9/11 GI Bill on October 15, 2009. Please answer the enclosed hearing questions by no later than Monday, November 30, 2009.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-4150.

Sincerely,

Stephanie Herseth Sandlin  
*Chairwoman*

JL/ot

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**Questions for the Record**  
**Hon. Stephanie Herseth Sandlin**  
**House Committee on Veterans' Affairs**  
**Subcommittee on Economic Opportunity**  
**VA Status Report on Post-9/11 GI Bill**  
**October 15, 2009**

**Question 1:** According to your testimony, many States determined their operating budgets in July/August which meant institutions determined their tuition and fees until late August. Did the institutions delay in establishing their tuition and fees have a significant effect on the VA's distribution of checks?

**Response:** Since the Department of Veterans Affairs (VA) could not establish the highest in-State undergraduate tuition and fee rates for the Post-9/11 GI Bill until public institutions reported their rates, there was a delay in distributing checks to students at institutions in those States. VA could not begin processing any claims until we had valid tuition and fee rates established for the 2009-2010 academic year.

**Question 2:** It currently takes 1½ hours to process an original claim. How can we help the VA improve or expedite the processing time?

**Response:** VA looks forward to discussing ways to improve the administration of the Post-9/11 GI Bill with Congress and appreciated being able to participate in the roundtable discussion on Veterans' educational issues with the Subcommittee on Economic Opportunity, House Committee on Veterans' Affairs, on December 3, 2009. However, the interim IT solution or the long-term solution will be deployed June 30, 2010, which will provide automated support for many of the activities involved in the 1½ hour processing time.

**Question 3:** Does VA have a media campaign to educate veterans and their dependents about the Post-9/11 GI Bill?

**Response:** VA has an extensive communication strategy and plan that was implemented in June 2008. In accordance with the plan, VA used a multilayered, multiple channel approach to educate both Veterans and dependents about the new Post-9/11 GI Bill. This included traditional outreach mechanisms such as direct mailings, pamphlets and brochures, as well as new media, including web postings and social networking. As part of that plan, in September 2009 VA contracted American Independent Media, a professional marketing firm, to develop a media campaign that will use print, electronic, and news media to reach out to Veterans and their dependents. This contract includes a redesign of the GI Bill Web site. The campaign is scheduled to launch before the 2010 fall enrollment period.

**Question 4:** Has VA considered asking VSOs for assistance in disseminating information about the GI Bill?

**Response:** VA recognizes that VSOs are a vital stakeholder and serve as a direct channel to our Veterans, and they are already assisting in disseminating information about the GI Bill. VA personnel have traveled to many VSO conferences around the country to speak about the Post-9/11 GI Bill. VA also partnered with American Legion to prepare an informational video on the Post-9/11 GI Bill. As a result, more Veterans are aware of these benefits.

**Question 5:** What roles are the State Approving Agencies playing in helping VA educate veterans and schools?

**Response:** The fiscal year (FY) 2009 State Approving Agency (SAA) contracts include requirements to support the Post-9/11 GI Bill. While the role of the SAAs generally remains the same, the contract requires SAAs to perform duties that support all other VA education programs in addition to the Post-9/11 GI Bill.

The SAAs have expanded outreach efforts to ensure awareness of the Post-9/11 GI Bill, and VA recently utilized the SAAs to verify their States' highest in-state public school tuition and fee rates for the 2008–2009 and 2009–2010 academic years to support the Post-9/11 GI Bill.

VA requested that SAAs complete an outreach questionnaire in April 2009 on specific efforts they were conducting related to the Post-9/11 GI Bill. The questionnaire responses and the outreach visit reports indicate SAAs are performing specific outreach for the Post-9/11 GI Bill. Some examples are: a 6-week radio campaign that highlighted the Post-9/11 GI Bill; letters regarding the Post-9/11 GI Bill provided at Transition Assistance Program (TAP) briefings; newsletters; Governor's letters to recently discharged Veterans; articles in local publications; presentations on the Post-9/11 GI Bill at school conferences, job fairs and Veterans and military resource fairs; and presentations to military and Veterans groups.

**Question 6:** Secretary Shinseki mentioned an emergency run-through of its information technology system in January 2010, in preparation of the spring 2010 term. Can you provide us more information on this?

**Response:** The development of the long-term information technology processing solution is on schedule. At this time, VA does not have a scheduled emergency run-through of the IT system. During his testimony, Secretary Shinseki indicated VA would approve more emergency checks during the spring enrollment period should the situation warrant it. He referred to this future effort as an "emergency exercise."

**Question 7:** According to the Secretary's recent full Committee testimony, once phase three is established the current backlog will be cleared out. When do you expect for the backlog to be cleared out?

**Response:** Since the education workload is seasonal, VA anticipates another influx of claims during the spring enrollment period, particularly with the new Post-9/11 GI Bill. VA took aggressive action to eliminate the backlog of fall enrollments and is using all available resources to ensure Veterans receive their education benefits for the spring terms accurately and on time. Over 60,000 claims for the spring term have already been processed. In 2010, we will begin incremental deployment of a more robust IT system that will make the benefits-delivery process simpler and more efficient.

**Question 8:** In your written testimony you state that phase three of the interim solution was scheduled for deployment in September 2009, due to the difficulty in integrating multiple actions such as amending awards and overlapping terms, led to rescheduling phase three deployment for November 2009. How will this affect the timely distribution of checks?

**Response:** The delay in deployment of phase three of the interim solution caused a delay in issuing payment on amended awards and overlapping terms. These types of awards can now be completed with the same timeliness as all others. However,

since the interim solution will not materially improve the speed of processing, the overall effect of deploying phase three on timely distribution of checks will be moderate. VA expects to begin seeing significant improvements in timeliness with the deployment of the long-term solution in June 2010, with plans to reduce the average days to complete original education claims to 18 days by the end of FY 2011.

**Question 9:** The Committee has received calls from frustrated Veterans unable to reach a VA official when calling for answers to their pending education claims. In your testimony you mentioned that the VA hired and redirected a total of 57 term personnel to the Education Call Center (ECC).

- a. How long is the average wait time to connect? What is the dropoff percentage rate?
- b. How long will you have these resources available and will you need additional resources from Congress?
- c. You mentioned that VA has expanded its phone hours, what are your expanded phone hours?
- d. What is the total number of operators that are currently manning the GI Bill Call Center?

**Response:** In September 2009, the average wait time was 5 minutes, 46 seconds. In October 2009, the average wait time was 7 minutes, 7 seconds. The abandoned call rate was 19.3 percent in September 2009, and 23.2 percent in October 2009.

Term personnel can be extended up to 4 years. We are committed to providing the best possible service to our Veterans and will ensure appropriate resources are requested and allocated to meet this challenge.

VA currently has 190 employees at the ECC answering phones Monday through Wednesday, 7:00 am to 5:00 pm, Central Standard Time. As we receive the anticipated influx of spring enrollments, the Call Center employees will temporarily perform claims processing tasks on Thursdays and Fridays to help ensure timely delivery of benefits for the upcoming terms.

**Question 10:** On Wednesday's full Committee Hearing, we heard from several Members proposing legislative fixes to make your job easier in the future. Do you have a list of legislative fixes you recommend this Subcommittee consider in the near-term and others you would like for us to consider as we seek to streamline all education benefits?

**Response:** VA looks forward to discussions with Congress on ways to improve the administration of the Post-9/11 GI Bill. We do not recommend the Subcommittee consider any legislative fixes in the near term due to the limitations in our short-term initiative to process claims. The challenge for future legislative fixes is making sure that they do not disrupt our ability to pursue timely rollout of the long-term processing solution.

